

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Spire Missouri Inc.’s d/b/a )  
Spire Verified Application for Approval of ) Case No. GF-2022-0169  
Financing Authority )

**RESPONSE TO STAFF RECOMMENDATION**

**COMES NOW** the Office of the Public Counsel (the “OPC”) and in response to the Staff of the Missouri Public Service Commission’s (the “Staff”) Recommendation (the “Recommendation”) (Doc. 5)<sup>1</sup> respectfully states as follows:

If the Missouri Public Service Commission (the “Commission”) grants Spire Missouri, Inc.’s (“Spire Missouri”) request for financing authority in this matter, the OPC makes three requests, two of which would make the Commission’s Order consistent with the Order issued in Case Number GF-2020-0334, Spire Missouri’s prior financing authorization case. First, that the Commission modify the Staff’s recommended Condition 7 consistent with the modification requested by the OPC and ordered by the Commission in Case Number GF-2020-0334. Second, that the Commission include an additional condition suggested by the OPC and included by the Commission in Case Number GF-2020-0334. Finally, that the Commission include an additional condition regarding the effect of the Commission’s approval in this case on potential future ratemaking decisions. If the Commission grants these requests, the OPC does not oppose the Staff’s recommendation to approve Spire Missouri’s request for financing authority.

**I. Background**

On December 22, 2021, Spire Missouri filed a Verified Application for Approval of Financing Authority and Request for Waiver of 60 Day Notice Rule and Motion for Expedited

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<sup>1</sup> References to document numbers represent the document numbers assigned in the Electronic Filing Information System (“EFIS”).

Treatment (the “Application”). (Doc. 1). In the Application, Spire Missouri requested, in pertinent part, “to establish new financing authority of \$800 million for a three-year period . . ., subject to the same financing conditions that were previously approved by the Commission in Case GF-2020-0334 and that are currently in effect.” (Appl. ¶ 11, Doc. 1).

On January 31, 2022, pursuant to the Commission’s Order Directing Staff to File Recommendation (Doc. 2) and Order Granting Joint Request for Extension (Doc. 4), the Staff filed its Recommendation (Doc. 5). The Staff recommends that the Commission grant Spire Missouri’s request for financing authority, subject to eleven (11) conditions. (Recommendation 2, Doc. 5).

## **II. Legal Authority**

The Commission did not specify a deadline by which a party may respond to the Staff’s Recommendation. However, 20 CSR 4240-2.080(13) provides that “Parties shall be allowed ten (10) days from the date of filing in which to respond to any pleading unless otherwise ordered by the commission.”

## **III. Analysis**

The OPC requests that if the Commission approves Spire Missouri’s request for financing authority, that the Commission make three changes to the Staff’s recommended conditions: (1) modify the language of the Staff’s recommended Condition 7; (2) impose an additional condition recommended by the OPC and ordered by the Commission in Case Number GF-2020-0334; and (3) impose a condition regarding the effect of the Commission’s approval in this case on potential future ratemaking decisions.

First, consistent with the OPC’s recommendation and the Commission’s Order in Spire Missouri’s prior financing case, the OPC requests a modification to the Staff’s Condition 7.<sup>2</sup> (*See*

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<sup>2</sup> The OPC notes that in the Application, Spire Missouri requests financing authority “subject to the same financing conditions that were previously approved by the Commission in Case GF-2020-0334 and that are currently in effect.”

OPC Resp. to Staff Rec. ¶ 5, Case Number GF-2020-0334, Doc. 7; Order 3, 5–6, Case Number GF-2020-0334, Doc. 11). Specifically, the OPC recommends that the Commission modify the Staff’s recommended Condition 7 by adding the bolded language below:

That the Company shall file with the Commission within ten (10) days of the issuance of any financing authorized pursuant to a Commission order in this proceeding a report including the amount issued, date of issuance, interest rate (initial rate if variable), maturity date, redemption schedules or special terms, if any, use of proceeds, estimated expenses, and loan or indenture agreement concerning each issuance. In addition, the Company shall also provide the analysis, to include but not be limited to indicative pricing information developed **[or]**<sup>3</sup> performed to determine that the terms for the securities issued were consistent with market requirements at the time. **The Company shall provide the analysis it performed to determine the following: (1) the appropriate type of debt security to issue (term loan, private bonds, or registered bonds), (2) whether the debt is secured or unsecured debt, (3) the term to maturity of the debt, and (4) whether to issue fixed or floating rate debt.**

Second, similar to the OPC’s first request, consistent with the OPC’s request and the Commission’s Order in Case Number GF-2020-0334, the OPC requests that the Commission include an additional condition that states:

The Company shall provide Staff and the OPC with the following information within ten days of the issuance of the new long-term debt replacing the tendered debt: (1) the final net present value calculations comparing interest payment savings to upfront transactional costs incurred to complete the tender offers; and (2) a quantification of the reduction to Spire Missouri’s embedded cost of long-term debt attributable to the completion of the tender offers.

(See OPC Resp. to Staff Rec. ¶ 6, Case Number GF-2020-0334, Doc. 7; Order 3, 7, Case Number GF-2020-0334, Doc. 11).

Finally, the OPC requests that the Commission impose an additional condition that states:

That nothing in the Commission’s order approving Spire Missouri’s requested financing authority shall be considered a finding for any ratemaking purpose,

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(Appl. ¶ 11). The Commission included the OPC’s first and second requests in its Order Approving Financing Authority issued in Case Number GF-2020-0334. (See Order 3, 5–7, Case Number GF-2020-0334).

<sup>3</sup> The OPC notes that the Staff’s recommended Condition 7 includes a comma between the words “developed” and “performed.” (See Staff Rec. 6). However, in its Order issued in Case Number GF-2020-0334, the Commission added an “or” between the two words, as shown in bold above. (Order 6, Case Number GF-2020-0334).

including, without limitation, of the reasonableness of Spire Missouri's planned adjustments to its capital structure.

Subject to the Commission ordering these three changes, the OPC does not object to the Staff's Recommendation.

#### **IV. Conclusion**

WHEREFORE, the Office of the Public Counsel respectfully responds to the Staff's Recommendation and requests that if the Commission grants Spire Missouri's Application that the Commission make three changes to the Staff's recommended conditions: (1) modify the Staff's recommended Condition 7; (2) impose an additional condition recommended by the OPC and ordered by the Commission in Case Number GF-2020-0334; and (3) impose the OPC's proposed additional condition along with the eleven conditions the Staff recommended.

Respectfully submitted,

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#### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the forgoing have been mailed, emailed, or hand-delivered to all counsel of record this 10th day of February 2022.

/s/ Lindsay VanGerpen